

**ANNUAL USE OF CAPITAL SURVEY - 2009****NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

M&amp;T Bank Corporation

Person to be contacted regarding this report:	Rene F. Jones, Executive Vice President and CFO
CPP Funds Received:	\$600,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	12/23/2008
Date Repaid <sup>1</sup> :	

RSSD: (For Bank Holding Companies)	1037003
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Buffalo
State:	New York

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	See statement describing actions undertaken with the capital infusion of CPP funds.
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<input type="checkbox"/> To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	See statement describing actions undertaken with the capital infusion of CPP funds.
<input type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	
<input type="checkbox"/> Make other investments	
<input type="checkbox"/> Increase reserves for non-performing assets	

<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	See statement describing actions undertaken with the capital infusion of CPP funds.

What actions were you able to avoid because of the capital infusion of CPP funds?

Not applicable.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Not applicable.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

We agree with Treasury's view that the CPP funds that M&T Bank Corporation ("M&T") received are indistinguishable from shareholder funds and other cash sources, and we welcome the opportunity to describe how we were able to utilize that combined capital in 2009 to meet our customers' loan demand, support two accretive acquisition opportunities and provide for an excess capital buffer during a time of world-wide financial crisis and uncertainty. As is further discussed below, M&T is most proud of the fact that we continued to make credit available to our customers during 2009, even as other banks may not have done so. By way of background, M&T announced on November 23, 2008 that it would participate in the U.S. Treasury Department's Capital Purchase Program (CPP). M&T's decision to participate in the CPP program was predicated upon the market perception at that time that only "healthy" banks would be permitted to receive CPP funds. As a result, M&T applied for and received \$600 million in CPP funds on December 23, 2008, primarily to ensure that the market perceived that we received the government's "vote of confidence." It is important to note that M&T was the only institution among the 25 largest bank holding companies at the time that took the program's minimum one-percent of risk-weighted assets. M&T's Chief Financial Officer, René Jones, said at the time, "Even though our capital ratios are well in excess of the regulatory minimums, we believe it is important to join the industry in support of this program established by the Treasury Department to address the disarray in the financial sector." Since the CPP was established, the financial services industry has stabilized in many important ways, and public confidence in banks increased as a result. One key measure of that confidence was the growth in bank deposits. M&T has remained particularly strong and stable, and grew total deposits by more than 11% in 2009 to \$47.4 billion. We believe that the public's willingness to entrust their deposits with M&T resulted from the market stability that ensued following the implementation of the CPP program, as well as the strength shown by M&T in not recording a quarterly loss since the onset of the economic downturn. In this respect, M&T was one of just three banks in our peer group of the 15 largest "regional" or "superregional" banks to not record a loss. It is noteworthy that M&T remained profitable during 2009, which extended an unbroken series of earnings which dates to 1976 – 33 consecutive years and 134 consecutive quarters. In 2009, M&T made more than 158,000 new loans totaling over \$16 billion consisting of 147,026 new consumer loans amounting to \$9.3 billion, 6,721 new small business loans totaling \$911 million and 4,545 new loans to larger commercial customers for \$6.0 billion. The 147,026 new loans to consumers originated by M&T included approximately 34,000 mortgages, 15,000 home equity loans and 60,000 car loans. In addition, M&T was named the 9th largest SBA lender in 2009 even though we primarily do business in only seven states and the District of Columbia, and was the top SBA lender in several of our key markets, including Buffalo, Rochester, Syracuse, Binghamton and Baltimore. During 2009, M&T acquired Provident Bankshares Corporation in a stock-for-stock transaction and assumed all of the deposits and acquired certain assets of Bradford Bank in an FDIC-assisted transaction. The Provident acquisition was announced on December 19, 2008 and closed on May 23, 2009, and the Bradford Bank transaction took place on August 28, 2009. As part of the Provident acquisition, we assumed the \$151.5 million in CPP funds that Provident received from Treasury, which represented the program's maximum amount of three-percent of risk-weighted assets that an institution could receive. The Provident acquisition was structured as a stock-for-stock transaction paid for with M&T common stock that did not require the use of any CPP funds. Similarly, the Bradford acquisition was an FDIC-assisted transaction that did not require a capital outlay nor the use of any CPP funds by M&T. M&T undertook these transactions during a tumultuous period for banks generally as many of our peers were shoring up their balance sheets through capital raises and asset sales. As a result of these acquisitions, M&T was able to provide a stronger platform to meet the former Provident and Bradford Bank customers' banking needs. In turn, these transactions generated \$0.16 of accretion to operating earnings per common share in just the first half-year of operation. Despite the unprecedented economic environment, M&T's capital position remained strong throughout 2009, even if one were to exclude the CPP funds, as we were able to generate retained capital through earnings. In hindsight, the CPP funds essentially added to M&T's capital buffer. While the CPP funding has had the effect, in combination with M&T's strength and stability, of helping to reinforce consumer confidence during distressing financial periods, M&T has been taking a very deliberate approach to assessing when it will seek to fully repay all CPP funds and exit the program, especially since the economic and regulatory picture, including the possibility of higher capital requirements, remains somewhat unclear.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.